

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 94-011-R - ORDER NO. 94-121✓
FEBRUARY 7, 1994

IN RE: Request of United Parcel Service, Inc.) ORDER GRANTING
(UPS) for Authority to Amend Tariff,) INCREASE IN
Supplement No. 8 to PSCSC MF No. 6,) RATES AND
Rate Increase.) CHARGES

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Request of United Parcel Service, Inc. (UPS or the Company) for an increase in rates and charges having to do with its transportation services.

UPS's last tariff rate changes were effective on February 15, 1993. The purpose of the proposed rate increase is to partially offset the increase in labor rates and other operating costs, including a 60¢ per hour increase in wage rates, the 40¢ per hour increase in fringe benefits which became effective on August 1, 1993. These wage rate and fringe benefits increases are in accordance with the recently negotiated four-year labor agreement with the International Brotherhood of Teamsters.

According to the Company, the proposed ground service rates which will continue to be uniform for both intrastate and interstate packages of equal weight and zone include small increases for packages destined to commercial and residential consignees. For the first time, UPS will have separate rate charts for packages tendered at a UPS customer counter or by a one-time

pick up customer. There is an additional charge proposed for the Company handling a Hazardous Material package and a proposed increase in a Call Return Charge and a Weekly Service Charge for automatic daily pickup service. The charge for Declared Value insurance is being increased. A new additional charge of \$1.00 per package is proposed to be applicable to packages which require special handling in the UPS sorting operations. The Company also proposes to increase the package charges for Expedited Delivery Service and the Company's rates for intrastate Hundredweight service.

On January 5, 1994, the Commission's Chief of Transportation Rates sent a letter to counsel for UPS requiring that a Notice of Filing be published one time in a newspaper of general coverage in Charleston, Columbia, Florence, and Greenville and furnish original publishers affidavits showing that the notices had been published. UPS furnished the required proof of publication. No Petitions to Intervene or protests were received.

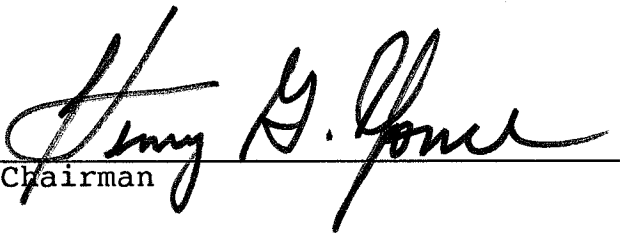
Based on the financial statements, UPS has an operating ratio of 98.4% on its per-book operations. After adjusting the carriers revenue for the request of \$652,874, the operating ratio reduces to 95.7%.

It appears to this Commission that the rates requested by United Parcel Service, Inc. are just and reasonable and that the request for an increase in rates and charges should be granted as filed.

IT IS THEREFORE ORDERED THAT:

1. UPS's request of increase for rates and charges of \$652,874 is hereby granted as requested.
2. The effective date of the increase is the date of this Order.
3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)